

JAMES P. DIWIK (Bar No. 164016)  
james.diwik@sdma.com  
JOEL M. LONG (Bar No. 226061)  
joel.long@sdma.com  
SEDGWICK, DETERT, MORAN & ARNOLD LLP  
One Market Plaza  
Steuart Tower, 8th Floor  
San Francisco, CA 94105-1008  
Telephone: 415.781.7900  
Facsimile: 415.781.2635

Attorneys for Defendants  
Safeco Insurance Companies,  
Liberty Mutual Group,  
Safeco Corporation, and  
First National Insurance Company of America

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re:

HSR GENERAL ENGINEERING  
CONTRACTORS, INC.,

Debtor.

HSR GENERAL ENGINEERING  
CONTRACTORS, INC.,

Plaintiff,

v.

SAFECO INSURANCE COMPANIES,

Defendant.

Case No. 10-58737 CN

Chapter 11

Adversary No. 10-05309 CN

**DEFENDANTS' CASE MANAGEMENT  
STATEMENT**

Date: December 14, 2010  
Time: 2:00 p.m.  
Judge: Hon. Charles Novack

Putative defendants Safeco Insurance Companies, Liberty Mutual Group, Safeco Corporation, and defendant First National Insurance Company of America (collectively, the "Defendants") submit this case management statement pursuant to the Court's September 2, 2010 Order Setting Telephonic Case Management Conference (the "Order"). As used below, the term "First National" includes all of the putative Defendants.

1           **A.     Preconference Discussions**

2           Plaintiff HSR General Engineering Contractors, Inc. (“HSR”) has not contacted First  
3           National to meet and confer regarding case management issues pursuant to Rule 26(f) of the  
4           Federal Rules of Civil Procedure and the Order. However, First National has attempted to meet  
5           and confer with HSR regarding a proposed mediation between First National, HSR, and HSR’s  
6           indemnitors under the January 2, 2008 General Agreement of Indemnity for Contractors  
7           executed in favor of First National as part of the consideration for First National to issue surety  
8           bonds on HSR’s behalf. Specifically, in an e-mail from First National’s counsel to HSR’s  
9           counsel dated December 1, 2010, First National proposed a mediation as just described to occur  
10          on or before January 26, 2011. First National has not yet received a response from HSR  
11          regarding this proposal.

12          **B.     Statement of Legal Theories and Facts**

13          First National’s legal theories and the facts supporting them are summarized in First  
14          National’s opposition to HSR’s previously filed motion for preliminary in this adversary  
15          proceeding. (First National’s opposition is Document No. 9 on the Court’s docket.)

16          **C.     Parties’ Position re: Bankruptcy Rules 7008 and 7012(b)**

17          The parties do not appear to dispute that this is a core proceeding.

18          **D.     Proposed Discovery Plan and Case Schedule**

19          At this time, First National does not propose any changes to the presumptive limits on  
20          discovery under the applicable federal rules and this Court’s local rules.

21          Based on a September 19, 2011 trial date as proposed in Section E below, First National  
22          suggests the following case schedule:

23               June 20, 2011 – Fact discovery cut-off.

24               June 27, 2011 – Deadline to file/serve motions to compel re: fact discovery.

25               July 5, 2011 – Deadline to file/serve expert witness designations (both percipient and  
26               retained experts), including the written report required under Rule 26(a)(2)(B) of the Federal  
27               Rules of Civil Procedure.

28               July 18, 2011 – Deadline to file/serve dispositive motions.

1 August 1, 2011 – Expert discovery cut-off.

2 August 8, 2011 – Deadline to file/serve motions to compel re: expert discovery.

3 September 5, 2011 – Pretrial conference.

4 September 19, 2011 – Trial.

5 **E. Estimated Time for Trial and Proposed Trial Date**

6 The FAC was filed on September 13, 2010. Thus, First National proposes a trial date  
7 approximately one year thereafter, or Monday, September 19, 2011. First National estimates that  
8 the trial will require three court days or less.

9 **F. Dispute Resolution**

10 As discussed above, First National has proposed a private mediation between First  
11 National, HSR, and HSR's indemnitors to occur on or before January 26, 2011.

12 **G. Statement of Non-Governmental Corporate Party**

13 First National it is part of a group of companies ultimately owned by Liberty Mutual  
14 Holding Company, Inc.

15 DATED: December 7, 2010 SEDGWICK, DETERT, MORAN & ARNOLD LLP

17  
18 By: /s/ Joel M. Long \_\_\_\_\_  
19 Joel M. Long  
20 Attorneys for Defendants  
21  
22  
23  
24  
25  
26  
27  
28